

GOVERNOR'S MESSAGE.

Senators and Representatives:

You are summoned, by the suffrages of your fellow citizens, to the important duties of legislation, at a period of peculiar interest both in State and National affairs.

The year just closed, has been strongly marked by prosperous and adverse circumstances.

RECAPITULATORY.

Abundant harvests have fulfilled the farmers' hopes; almost unbroken health has blessed our homes, and animated our activities; Industry, in every vocation, has successfully pursued its legitimate objects; Education, with steadily enlarging aims, and powers constantly augmenting, has prepared the youth for the duties and responsibilities of citizenship; and Religion, unembarrassed by the interference of the State with the domain of conscience, has fulfilled its holy mission of instruction in the duties of the life which now is, and of preparation for the awards of that which is to come. In short, no year since the organization of the State Government, has been more conspicuously distinguished by substantial increase in all the elements of real wealth, permanent power, and true greatness.

And yet, this year, so distinguished by these circumstances of prosperity, has been marked, hardly less conspicuously, by the evils of disordered currency, prostrate credit, and impaired fortunes.

The financial embarrassments which have affected the citizens of Ohio, in common with those of the whole country, have been augmented in this State, by special and peculiar causes. The criminal misconduct of a former State Treasurer, resulting in a defalcation of over half a million of dollars, concealed from the people by the false statements and reprehensible contrivances of himself and his successor in office, deprived the Treasury, at a critical moment, of the proper means of paying the interest on the public debt, and of meeting the ordinary demands of the public service; while the failure of a great moneyed corporation, intimately connected with the business interests of the community, suddenly disclosed the alarming fact, that a vast proportion of all the immediately available resources of very many of the banks of the State, had been abstracted by the fraud of its cashier in New York, and converted into means for postponing, if not averting its fall.

STATE CREDIT UNIMPAIRED.

It is a most gratifying fact, and it will illustrate the energetic good faith which so honorably distinguishes the people of Ohio, that, notwithstanding these embarrassing circumstances, every obligation of the State has been punctually fulfilled, and her banking institutions, with very few temporary exceptions, have performed their entire duty of specie payments, without evasion and without delay.

OUR FINANCIAL RESOURCES.

That you may clearly see the foundations of this anticipation, permit me to direct your attention to a brief review of our industrial condition, which will be more fully exhibited by the reports of the Commissioner of Statistics, and the State Board of Agriculture.

Of the 25,776,960 acres which constitute the area of the State, according to the Federal computation, no portion worth consideration, can be classed as absolutely uncultivable. Only 10,000 acres, however, are actually cultivated, and of these, only about 5,000 acres by the plow, while more than 15,000,000 yet remain to be brought under contribution to our power and wealth.

This whole area, with a trifling exception, is reduced to individual ownership, and is divided among about 270,000 proprietors, excluding the owners of town lots. The average quantity of land held by each proprietor, is estimated at about ninety acres.

This division of the land into small properties, promotes improvement in methods of culture, augments production, insures individual independence, and contributes largely to the security of public freedom. Every tendency in the opposite direction should be watchfully observed, and wisely checked.

The value of these properties as assessed for taxation, is \$435,602,655, and that of town lots and chattles is, \$413,626,426—making an aggregate of \$849,229,081. The real value largely exceeds \$1,000,000,000.

POPULATION NEAR TWO AND A HALF MILLIONS.

The present population of the State, upon the best attainable data, is estimated at 2,400,000 persons, of whom nearly all, except the very young and the very old, are actively engaged in pursuits which increase or preserve public and private wealth.

The efficiency of this vast human energy is enhanced almost beyond computation by the machinery so extensively introduced into every department of industry. The agricultural machines, put in operation during the last few years, do the work of more than 100,000 agricultural laborers, and do it quicker, better, and cheaper than they could. It is difficult to make any estimate even approximately accurate, in respect to machinery otherwise employed. It is reasonably computed, however, that the steam engine labor, equal in quantity to that of more than half a million men, is in better quality as well as cheaper in cost.

The forces of nature thus engaged to the service of man, through the

instrumentality of machinery, augment the means of existence, comfort and enjoyment in Ohio, at least four-fold. The results are seen on every hand, in the increased rewards of labor, and in the improved and constantly improving condition of the people.

Some general statements, under a few heads, will clearly exhibit the more important elements of this industrial progress.

I. AGRICULTURAL PRODUCE.

In 1857, according to the best information, the value of vegetable products, was \$45,554,519

The value of an annual animal products, was \$3,915,000

Total value of agricultural products, \$49,469,519

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In 1850, according to the best information, the value of vegetable products, was \$45,554,519

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In 1849, according to the best information, the value of vegetable products, was \$45,554,519

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In 1848, according to the best information, the value of vegetable products, was \$45,554,519

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In 1847, according to the best information, the value of vegetable products, was \$45,554,519

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In 1840, according to the best information, the value of vegetable products, was \$45,554,519

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In 1839, according to the best information, the value of vegetable products, was \$45,554,519

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doubt that any cost of which it could be the occasion, would be repaid to the State a thousand fold in benefits.

While on the side of industrial development, there is so much to excite gratification and inspire hope, there is another class of facts essential to a correct estimate of our condition, which must not be overlooked.

OUR DEBTS—STATE AND INDIVIDUAL.

The Commissioner of Statistics has instituted extensive inquiries, with a view to ascertain, as accurately as possible, the debts due from the State, from corporations and from individuals. It is obvious that, except as to the debts of record, it was impossible to obtain precise results; but it is believed that the following statement is at least an approximation to the truth:

Debts of the State, Foreign and Domestic, \$16,402,095
Corporate debts of Towns, Co's, & Municipalities are about 15,000,000
Debts of Railroad Companies, 50,000,000
Debts in Judgment, 10,000,000
Debts secured by Real Estate, 50,000,000
Debts to Banks and Bankers, 25,000,000
Debts of Merchants due outside the State, 15,000,000
Other individual debts, 10,000,000

Aggregate debts of all descriptions, 221,402,095

Debt is not always an evil. Loans

wisely invested by the borrower in agencies of production, such as lands, mines and implements, or of movement, such as canals, railroads or steamboats, often afford essential aid in the development of resources, and even create the means of their own liquidation. A few of these debts are of that character. And in many cases the same debt appears more than once in different forms. Far the greater part, for instance, of the individual debts, are due to retail merchants who, in turn, owe the same to banks and wholesale dealers.

But with every allowance for these considerations, this mass of indebtedness remains a subject of no means agreeable contemplation. For its reduction or extinction we must rely on augmented production and increased economy. That these may be safely relied upon no one can doubt who understands the character of our people, and reflects upon the fact that this indebtedness, large as it is, hardly amounts to one fifth of the aggregate property in the State, and exceeds, only by a third, the aggregate productions of a single year.

THE CURRENCY AND FINANCIAL REVOLUTION.

I have already alluded to the fact that the last six months, so seriously affected the varied interests of our community.

Twice before during the present century, have similar revolutions occurred; and both were accompanied by the same train of calamities and disasters. The interval from one of these revolutions to another, has twice been marked by space of twenty years. The cause of each, though very different in form, may be reduced to the same general expression, namely: the reckless contracting of debts beyond means of payment. The spirit of speculation, eager desire for great and sudden gains; the spirit of ostentation and luxury, seek gratification through debt. As there is no limit to these passions of the heart, so there is no limit to debts contracted for their gratification, except notorious insolvency which makes credit impossible. Always most active when prices are rising, circulation increasing, and credit expanding, these desires, unchecked, never fail, under such circumstances, to reach their crisis in enormous and universal indebtedness, to be speedily and certainly followed by wide spread collapse and disaster.

For nearly ten years past the circumstances of the country have tended to these results. The influx of gold from California, has rapidly augmented from year to year the volume of the circulating medium; which has been still further expanded by a vast, though not equal, increase of credit currency. In 1848, before the importation of gold from California had commenced, the respective amount of coin and bank notes in the country were as follows: coin \$126,753,937; bank notes \$128,500,441. In 1857, the respective amounts were, coin 276,100,442; bank notes, 214,773,323.

The rapid augmentation effected by the increase of coin alone, could not fail to produce marked effects in the rise of prices, in the multiplication of transactions, in the enlargement of credits and in the increase of debts. The additional stipulation of this tendency by the further introduction of \$86,233,171 of credit currency, sufficiently accounts for all the effects which have been witnessed.

No system of currency can insure complete protection against speculation, debt and revolution; but a system, which, more than any other, directly tends to produce and inflame these evils, is, without question, the system of credit currency. That system, therefore, chiefly demands precautionary measures against such results.

Credit currency in the United States is supplied by banks; in the form of notes circulating as money. The number of these banks, on the 1st of January, 1858, was 1389; their

capital, \$346,847,372; their circulation, \$195,747,750; their deposits, \$312,705,662; their other liabilities, \$64,947,823; their specie, \$59,314,063; their other resources than specie \$820,713,362. The number of banks at the present time probably some what exceeds fourteen hundred.—Their circulation is stated at \$214,778,822, and their deposits at \$303,353,342, and their specie at \$60,000,000. It needs but a glance at this statement to perceive that a currency so expanded must greatly stimulate hazardous speculations and tend to financial disorder; and that under the exigency of such disorder, the credit currency must become, in part, or altogether, inconvertible into coin.

In our own State, there are fifty-four banks; thirty-six branches of the State Bank, and eight Independent Banks, organized under the act of 1845, and ten Free Banks, organized under the act of 1851. According to their quarterly statement, their condition, on the 3rd of August, 1857, was as follows:

On the 2d of November their condition was as follows:

Free Banks, 2,472,000 34

State Branches, 15,519,746 93

Total, \$17,991,746 93

Independent Banks, 2,472,000 34

State Branches, 15,519,746 93

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